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Progress Report of the

FOREST TAXATION INQUIRY

FRED ROGERS FAIRCHILD
Director

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TAXATION OF TIMBER PROPERTIES IN OREGON AND WASHINGTON

By
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U. S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Explanatory Note

The Forest Taxation Inquiry regards its entire study as a unit, to be reported upon as a whole, and does not contemplate the issue of state or regional reports. However, it makes public from time to time, through the medium of progress reports, such information resulting from its investigations as may seem of service to persons interested in the problem of forest taxation.

Progress reports usually represent in greater or less degree the labors of all, or nearly all, the members of the staff. The field work is done in accordance with plans reviewed in advance by the Director. Questions of importance affecting the projects are discussed in staff conferences. Tables are prepared by the statistical force, and both text and tables are edited by the Director. Therefore, though authorship of progress reports may be ascribed to the individuals who have had a predominant part in their preparation, it should be understood that in most cases other members of the staff have made substantial contributions.

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The figures in this report have been checked at least once, but are subject to final revision and correction. Criticisms and corrections will be appreciated; they should be addressed to:

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TAXATION OF TIMBER PROPERTIES IN OREGON AND WASHINGTON

Introduction

The relation of taxation to the holding of timber investments and to the operation of large logging and lumbering enterprises was studied in the Pacific Northwest because of the leadership of this region in the extent of virgin timber in private ownership and in current lumber production. The information necessary to such a study is largely in the accounts of the timber owners and operators. On account of the interest of these owners and operators in taxation, it was appropriate to ask for their cooperation in obtaining the desired facts. Detailed reports were called for, using two form statements, one for owners of blocks of timber which had been held as a reserve supply or for investment, and one for active operators. The forms of these statements were prepared with the advice of representatives of the lumber industry and received the formal endorsement of the Forest Research Council of the Pacific Northwest, the Oregon Forest Fire Association, the Oregon State Board of Forestry, the West Coast Lumbermens Association, and the Western Forestry and Conservation Association. The project was given favorable publicity in trade journals and newspaper articles and was explained in meetings of lumbermen and timberland owners. The form statements were sent to 353 corporations and individuals. Eighty-one of these returned answers, in 70 of which the data were usable. Several did not cover all of the timber blocks owned by the party making the report, and in such cases the Inquiry has no check on the manner of selection. Otherwise these replies apparently afford a random sample of the industry and may therefore be considered representative. It is the cooperation of those who furnished these statements that made this study possible.

The larger part of the data on which this study is based were collected in 1928, so that they do not go beyond the last full year for which figures were then available, or 1927. While certain changes in the economic and tax situations in the Pacific Northwest have taken place since that time, it is believed that the material presented in this report is still useful.

The figures as submitted have been compiled in the tables included in this report. Nothing has been eliminated unless very obvious inconsistencies or omissions indicated that the information was erroneous. In nearly all cases, the answers had evidently been prepared with care, and it is believed that the results are reliable in so far as they go. The sample in some localities is rather small for analysis by counties, but such analysis is retained where it appears useful even though the figures are not always necessarily representative of average conditions in a county.

Throughout all of the tables, each county shown separately is represented by more than one report. Figures for counties from which only one report was received are included under "Others."

In Oregon and Washington, the land element in timberland properties, that is, land under timber as distinguished from cut-over land, has in most cases a nominal value so near to zero as to be negligible for all practical purposes. Assessed values of timberland, on the other hand, are commonly built up by adding the assessed value of the standing timber separately considered to an assessed value of the land equal or close to the assessed value of similar land in a cut-over condition. However, in timber properties in this region the timber value so overshadows land value, even in assessment practice, that the unit value of the timber is but little affected whether the land value is included or excluded in its computation. Therefore, throughout this report, where values have been expressed in terms of dollars or cents per thousand board feet of timber, the land element has been treated as having a zero value for convenience and uniformity in calculating these unit values. Similarly, in evaluating the tax burden on timber, the entire amount of taxes on lands covered with merchantable timber has in every case been allocated to the timber, except in cases in which the timber was taxed separately from the land.

On account of the marked differences in the character of the forest between the region west of the Cascade Mountains, where dense stands in which Douglas fir is the characteristic species predominate, and the region east of the Cascades, where more open stands with western yellow pine as the principal species prevail, it is customary to treat these regions separately in forestry investigations. There are also wide economic differences between the two regions. Therefore, in this report, all of the statistics are grouped by west side and east side counties.

Assessment and Taxation of Timber

The latest year for which complete tax figures were available at the time this study was begun (July, 1928) was the tax year 1926, the taxes for that year being payable in 1927. As reports of the state tax commissions and other sources of information indicate nothing particularly abnormal in taxation practices in that year, it may be taken as reasonably representative of recent conditions. By using the reports of both operators and holders of timber, samples were obtained amounting to over 20 per cent of the timbered area as assessed in 1928 in each of 15 counties of Oregon and 12 counties of Washington. The extent to which the reports refer to timber in blocks that are being operated distinguished from those blocks held in reserve or for investment, as well as the size of the sample, is shown in Tables 1 and 2. The timbered areas as assessed, given in these tables, are for 1928 because figures for 1926 were not available in many counties. Since these areas would be somewhat greater in 1926, the percentages included in the sample (Column 5) are slightly greater than they would be if based wholly on 1926 figures. The size of the sample in each county and state is again indicated by timber area, and also by quantity of timber, in the first two columns of Tables 3 and 4.

Assessed values per acre of timberland on the west side of the Cascade Mountain Range are much higher than on the east side, on account of the much denser stands of timber on the west side. In the different counties of western Oregon, they range from $16.96 in Douglas to $125.18 in Columbia (Table 3). In western Washington, they are from $25.38 in Skamania to $86.08 in Grays Harbor (Table 4). (Since assessments in Washington are placed by law at 50 per cent of true value, the figures in this report are always double the official figures in order to make them comparable with assessed values in Oregon. In making such comparisons, it must be remembered that assessed values do not in general meet the legal requirements in either state.) The average assessed value in the west side counties of Oregon is $35.69 per acre as against $57.58 for the corresponding counties of Washington.

East of the Cascades in Oregon, the assessed values per acre of timberlands range from $5.33 in Umatilla County to $16.32 in Klamath, with an average of $10.99. In Washington only one east side county is shown separately, Yakima, with an assessed value of $2.01 per acre, while the average for all the east side properties is $7.79 per acre.

West of the Cascades in Oregon, taxes on an acreage basis range from 58 cents in Douglas County to $4.52 in Columbia County, with an average of $1.33. In western Washington, they are from 65 cents per acre in Skamania to $2.84 in Thurston, with an average of $1.67. As would be expected, taxes per acre are much lighter for the less densely stocked timberlands east of the Cascades. In eastern Oregon, the range is 11 cents in Umatilla to 43 cents in Deschutes and Klamath, with an average of 31 cents. In eastern Washington, Yakima County shows only a 5 cents per acre tax, but the average for all east side counties in Washington is 16 cents.

Of still greater interest is the tax per thousand board feet of standing timber. Obviously, estimated quantities of standing timber are subject to error, but in the larger samples it is reasonable to suppose that the errors in the reported quantities are largely compensating. On the whole, these estimates are probably reasonably conservative.

According to the reports received, the taxes in the west side counties of Oregon range from 1.1 cents per thousand board feet of timber in Lane and Marion counties, to 6.7 cents in Columbia, the average being 2.5 cents per thousand. In the west side counties of Washington, Skamania has the lowest tax per thousand, 1.8 cents, and Thurston the highest, 8.7 cents, the average being 3.9 cents. East of the Cascades in Oregon, the tax per thousand varies from 1.1 cents in Umatilla to 2.8 cents in Deschutes, with an average of 2.2 cents. In Yakima, in eastern Washington, the average tax per thousand board feet is 1.2 cents, while the average for all of eastern Washington is 3.2 cents.

Considering the states of Oregon and Washington together, there are 34 counties for which separate figures are indicated in Tables 3 and 4. In 22 of these counties, 15 in Oregon and 7 in Washington, the tax is 1.1 cents to 3.0 cents per thousand board feet of timber. The distribution of these counties according to the tax per thousand board feet is as follows:

Tax per thousand board feet in cents	Number of counties		
	Oregon	Washington	Total
1.1 - 1.5	8	1	9
1.6 - 2.0	3	1	4
2.1 - 3.0	4	5	9
3.1 - 4.0	2	2	4
4.1 - 5.0	0	2	2
5.1 - 6.0	0	2	2
6.1 - 7.0	2	0	2
7.1 - 8.0	0	1	1
8.1 - 9.0	0	1	1
Total	19	15	34

One of the most striking facts indicated by these figures is the great difference in tax cost of owning timber in the different counties, even within the same state. For example, it appears to cost about six times as much in taxes per thousand board feet to own timber in Clatsop or Columbia counties as in Lane, Marion, or Umatilla counties, all in Oregon. It seems to cost three to four times as much in taxes per thousand to own timber in Grays Harbor or Thurston counties as in Jefferson, Lewis, and Skamania counties, all in Washington. In general, it will be noted that taxes per thousand board feet of timber are inclined to be highest in the counties which have been most heavily cut-over, and where the smallest amounts of cut-over land have gone into agricultural use. Clatsop and Columbia in Oregon, and Grays Harbor in Washington, are examples of such counties. Apparently, the reduction in tax base caused by the removal of merchantable timber, unless offset by agricultural development, results in a heavier burden on the timber remaining, which in turn may tend to accelerate the cutting of that remainder. Another reason for heavier taxes per thousand board feet in largely cut-over counties is the higher value of timber in districts where exploitation is well advanced, and the remaining timber has increased value because of accessibility and scarcity.

Assessment Ratios

It is possible to make a comparison between the assessed values of the properties in both operated and non-operated blocks with the reported values. Such a comparison, and assessment ratios 1/ based on these reported values, are presented in Tables 5 and 6. It should be noted that the reported values are in part cost subsequent to March 1, 1913, and in part owner's appraisals based on values either of March 1, 1913 or of December 31, 1927. Therefore, the reported values can be taken as only very roughly indicative of actual values at date of the 1926 assessment. There is no evidence to indicate whether they are higher or lower than the actual values.

It is possible also to estimate the actual value of timber by counties for comparison with the total assessed values. This was attempted only in the 10 counties of Oregon and Washington selected for special study. In advance of the results from the forest survey now being made by the Forest Service, the timber volumes could be estimated only very roughly. The quantity of timber by species was estimated on the basis of the Forest Service figures of 1923, corrected by county cruises and other sources of information. Unit prices for the different species in the counties of Oregon were obtained from a valuation expert, and represent his judgment of timber values on March 1, 1928. The assessed area and value in certain counties of Oregon are not published in the official tax commission report, and it was necessary to rely in these cases on estimates of county assessors. In general, the assessed area does not include second-growth or poorly stocked stands of doubtful commercial value. As the estimated quantities of timber are believed to be conservative, they probably are not too great to correspond to the areas recognized as timberlands and so recorded by the assessors. The detailed figures for area, quantity, value, and assessment of timber for the 10 selected counties are shown in Table 7.

1/ The term "assessment ratio" is used to mean the ratio, expressed in per cent, of value as determined by the property tax assessment to the actual value. In Washington, on account of the legal requirement that assessment be at 50 per cent of the true value, the "value as determined by the property tax assessment" is double the official assessed value.

In Table 8 are brought together data from three sources of information; namely, estimates for the entire counties from Table 7, reports of taxpayers from Tables 3 to 6, and figures based on actual sales which were published by the Inquiry in its Progress Report No. 6. The items compared are value of timberland per acre, assessed value of the same timberland per acre, assessed value of timber per thousand board feet, and assessment ratio. In studying this comparison, it must be remembered that the figures for the entire counties are estimates based on inadequate information, and that the reports from questionnaires are not consistent as to the date or standards of appraisal, and that the sales represent very small samples. The differences in assessment ratios within the same counties may be explained in part by the principle that higher valued properties tend to be assessed at a lower proportion of actual value than lower valued properties. 2/ However, the principal reason for these differences is doubtless the deficiences in the data already mentioned. It is of interest to note that, in general, the reports from the statements furnished by timber owners and operators show lower assessment ratios than the independent sources of information.

It is obvious that under-assessment of a particular class of property does not necessarily mean that the under-assessed properties are escaping their fair share of taxation, since other classes may be under-assessed in equal or greater degree. The data which have just been reviewed show that timber properties in Oregon and Washington are under-assessed, but not that a fair and legal assessment at actual value of all taxable property in those states would cause such properties to bear a higher proportion of the total taxes levied than at present. Such information as the Inquiry was able to obtain for this region on the assessment of forest properties relative to other classes of rural real estate has been published in Progress Report No. 6.

Trend in Assessment and Taxation of Timber

While it is not safe to predict the future of taxation on the assumption that past trends will be continued without modification, such trends nevertheless throw light on the present situation and point out prevailing tendencies. As would be expected, there is some variation in the trend in assessment between the different counties. In general, assessed values had increased at each five year period between 1914 and 1926, as shown in detail in Table 9, which is based on reports relating to non-operated timber blocks. There are a few exceptions, such as Coos, Linn, Grant, and Umatilla counties, Oregon, and Jefferson County, Washington, where the changes were not very important. In a number of these counties, the size of the sample obtained, as indicated in Columns 1 and 2, is too small to warrant drawing positive conclusions for the county.

If the changes in level of assessment be considered by groups of counties, the upward trend is more regular. In all groups, the largest jump comes between 1919 and 1924, reflecting, with some lag, the actual increase in stumpage values that took place. A comparison of the average assessed value in 1926 with that in 1914 shows an increase of 66 per cent in the west side counties of Oregon, of 45 per cent in the east side counties of Oregon, and of 39 per cent in the west side counties of Washington. Corresponding changes took place in assessed values per thousand board

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2/ Refer to Progress Report No. 6, p. 13.

feet of timber as also shown in Table 9. Although no accurate data on changes in stumpage values of timber in these years are available, it does not seem likely that the percentage increases in actual values were generally less than those in assessed values. Douglas fir lumber had doubled in price during the same period, 3/ and commodity prices in general had risen 47 per cent as measured by index numbers of wholesale prices. 4/ The fact that the increase is less in Washington than in Oregon may reflect the fact that lumber operations were developed earlier in Washington, so that there was less opening up of new timber to exploitation subsequent to 1914 in that state.

The assessed values per acre averaged by county groups are reduced to index numbers on the basis of 1926 as 100, and compared with the U. S. Bureau of Labor Statistics wholesale price index numbers for all commodities as follows:

Year	Assessed values per acre: Oregon, West side	Assessed values per acre: Oregon, East side	Assessed values per acre: Washington, West side	Wholesale prices, all commodities
1914	60	69	72	68.1
1919	68	74	69	138.6
1924	91	93	93	98.1
1926	100	100	100	100.0

In comparing assessed values with the general level of commodity prices, it should be considered that normally changes in real estate values lag behind changes in commodity prices, and that changes in assessed values of real estate lag behind changes in actual values. Therefore, marked increases or decreases in the level of commodity prices may occur with little or no immediate change in assessed values. A detailed discussion of these relationships is beyond the scope of this report.

The change in taxes paid on timber properties since 1914 has been more serious than the change in assessed values. As a result of higher tax rates, all counties for which a 1914 report is available show a decided increase in 1926, even those which did not make much change in assessed values. In the west side counties of Oregon as a whole, the reports as summarized in Table 10 show an increase in tax per thousand board feet of timber of 187 per cent. In the east side counties, the corresponding increase is 133 per cent, while in the west side counties of Washington, it is 143 per cent. Similar changes took place in average tax per acre, though the difference in the tabulated figures is considerably less in the east side counties of Oregon because the average for 1914 is affected by a single relatively high case in Lake County. The greatest changes in most cases came between 1919 and 1926. The per-

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3/ U. S. Department of Agriculture Statistical Bulletin, No. 21, Table 75.

4/ Wholesale Prices, 1913 to 1918, p. 17, Bulletin of the U. S. Bureau of Labor Statistics, No. 493.

centage increase in taxes on timber from 1914 to 1926 is in the neighborhood of three times the percentage increase in wholesale prices of all commodities, as reflected by the U. S. Bureau of Labor Statistics index numbers.

It was possible to obtain the tax history as far back as 1899 of a few timber properties located in Oregon, west of the Cascades. As would be expected, taxes prior to 1910 appear very light in comparison with present day standards. The average tax per thousand board feet of timber for the combined properties is shown in Table 11 at five year intervals, beginning with the tax year of 1899. Even when taxes as actually paid are expressed in terms of dollars that reflect the 1926 standard of purchasing power, the tax per thousand in 1926 is 23 times the figure for 1899.

Assessment and Taxation of Cut-over Lands

Since the data on which this report is based were collected, legislation has been passed in both Oregon and Washington modifying the taxation of cut-over lands classified as valuable chiefly for reforestation. The statements in this report refer to conditions prior to the effective dates of this legislation.

The area of cut-over lands is rapidly increasing in the Pacific Northwest, so that the manner in which these lands are taxed is already recognized as a problem. The actual value of such lands is in many cases materially greater than the value of similar lands under virgin timber, since the cutting of the timber has made them immediately available for growing new crops of timber or for other uses. In this report, only those cut-over lands owned by active operators are considered. Additional information on cut-over lands in general, obtained in connection with studies of selected areas, will not be included here. The typical operator is not yet greatly concerned with how his cut-over lands are taxed, as he looks at his tax burden as a whole. His total tax bill depends chiefly on the assessment and tax rate applied to timberlands and manufacturing plant, and even a large variation one way or the other in cut-over land assessment would ordinarily be overshadowed by a relatively small change in assessment of his other properties. Therefore, an operator would prefer to accept a considerable over-assessment of cut-over land rather than to antagonize an assessor by making protest, provided he were satisfied with the assessment of his other property.

The figures obtained from operators show for the year 1926 assessed values per acre of cut-over land ranging from $2.00 to $5.00 in Oregon, and from $2.88 to $13.21 in Washington. 5/ As would be expected, the lowest values are found in the east side counties of both states, and the highest west of the Cascades. The range of assessed values, based on this very small sample, is considerably greater in Washington than in Oregon (Table 12).

The tax per acre, based on the 1926 assessments, ranges in the different counties and groups of counties from 11 cents to 20 cents per acre in Oregon, and from 5 cents to 66 cents in Washington. Just as in the case of tax per thousand board

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5/ As elsewhere in this report, figures of assessed value quoted for Washington are "full and fair" values as determined by assessors. In accordance with the Washington law, the official assessed values are 50 per cent of these "full and fair" values.

feet of timber, the tax per acre of cut-over land varies widely in the different counties. The range throughout the region is doubtless much greater than indicated by these figures, which represent a limited number of cases in relatively few counties.

In general, there is but little difference in assessed values and taxes between 1922 and 1926. The average tax per acre for all the samples obtained is 21 cents in both years. In the west side counties of Oregon, there seems to be a rather consistent drop in tax per acre in the different counties. Everywhere else the trend appears to be level or upward.

Taxation in Relation to Carrying Charges

The term "carrying charges" is used in this report in reference to the actual payments made for the purpose of holding timber. The items included are taxes, interest on borrowed capital, protection, and general administration. Carrying charges as thus defined are obviously not equivalent to the total cost of carrying a forest investment since no return on the owner's capital is included.

The reports from holders of timber blocks that have not yet been operated indicate that the interest actually paid on the capital borrowed to carry such timber is a small item compared with interest which the total capital invested in these timber blocks might be expected to earn. In other words, most of the timber has been purchased with the investors' own capital. This leaves property taxes as the larger item of annual expenditure in carrying a timber block. Fire protection, including cost of protection from insects and disease, if any, is a much smaller item. The other costs may be grouped under the head of administration and vary considerably with individual circumstances. The figures for these different classes of costs are shown by aggregates in Table 13. For purposes of comparison, the quantity of timber and value of timber property are noted in Columns 1 and 2 of this table. The quantities are estimates as reported by the owners. The values are based on cost, if purchased subsequent to March 1, 1913 (Group 1). If purchased prior to March 1, 1913, the values are based on appraisals, either as of March 1, 1913 or as of December 31, 1927 (Group 2). Most of the owners reported values as of only one of these two dates. If both were reported for the same property, the higher figure was used. Obviously, these figures of value are very rough because of the varying dates and standards of appraisal. In general, they may be considered as reasonably conservative for valuations of 1927. The expenses of carrying the timber are sometimes offset in part by incidental income, such as that from grazing or recreational use. The reports from the east side counties show a fairly substantial incidental income (Table 13, Column 8).

The value, the average annual charges for different purposes, and the average annual incidental income are more significant when reduced to amounts per thousand board feet of timber, as in Table 14. It is evident from Column 1 that the values as appraised do not differ widely from cost of timber purchased since March 1, 1913.

The percentage relation of annual charges and incidental income to the value of the properties is shown in Table 15. property taxes appear to be a little over 1 per cent of actual value in the west side counties in both states, and a little under

1 per cent in the east side counties of Oregon. The maximum protection cost is 0.16 per cent of value, while the more usual figure is 0.05 per cent. Administration costs average between 0.10 and 0.20 per cent. Incidental income appears in appreciable amounts only in the east side counties of Oregon, and is there 0.12 per cent of value.

It is evident that the big annual charge on standing timber, which the owner must provide for year after year, is the property tax. In determining whether or not he should hold his timber or liquidate it, it is obvious that the most important consideration is interest; not the interest actually paid, but the interest or return which the same amount of capital otherwise invested might earn. If the expected increase in value of the timber property over a period of years in the future is not great enough to provide for the annual carrying charges, plus a reasonable return on the owner's own capital, measured by the present value of the property less incumbrances, it will pay to liquidate. Since an investor ordinarily figures on at least a 6 per cent return on an investment in standing timber, it is clear that a tax in the neighborhood of 1 per cent cannot be the most important factor in forcing liquidation. It may be a determining factor in border line cases, and the psychological effect of having to provide substantial payments every year may give taxes greater weight in influencing the decisions of timber owners than strictly economic considerations would warrant. An adequate return on the investor's own capital may be lost because appreciation in timber value does not keep pace with interest, but it is the additional money that must be put in each year to hold timber property that demands attention, and usually more than one-half of this additional sum is required for taxes.

Taxation of Timber Operations

The relation of property taxes to the average investment in timber property under active operation was determined for the years 1923-1927 from reports obtained from operators. This relation is shown for Oregon and Washington separately in Table 16. For this purpose, the operators are divided according to whether located on the west side or the east side of the Cascade Range. On the west side, there are many large operations conducted for the purpose of producing and selling logs rather than lumber, and these are grouped, separately from the manufacturers, under the heading of loggers. The investment in plant, which includes sawmill if any, logging railroad, logging equipment, and all physical property used in operating timber, is shown separately from investment in timber and timberland.

The average annual property tax in the years 1923 to 1927 appears to have been 1.0 per cent to 3.3 per cent of the average investment, but in all groups but one it does not exceed 2.1 per cent. The maximum of 3.3 per cent for the east side counties of Washington is based on a rather small sample. A comparison with Table 13 would indicate that timberlands attached to operated properties bear slightly heavier property taxes in relation to value than those comprising non-operated timber blocks. This would naturally be expected, as the operations tend to concentrate in the counties which were earlier exploited and where tax rates are higher because of more highly developed public services and decreased timber resources. Apparently, plant and other physical equipment are taxed in both states somewhat less in proportion to value than timberland. This may be largely a result of the great difficulty of assessing such property accurately. As between the two states, Oregon appears to be slightly favored, but the differences are small except in the east side counties. Here the sample for Washington is small as already noted and, therefore, not very reliable.

To appreciate the importance of taxation as a financial factor in active logging and lumbering operations, it is necessary to know what part of the gross profits and net income is absorbed by taxes. Gross profits are here considered to be the total receipts less all expenses except the following overhead charges: taxes, interest on borrowed capital, depletion, depreciation, and salaries of officers. These charges, except depletion, would continue without much change even if active operations were suspended. Taxes, interest on borrowed capital, and salaries are actual payments; depletion and depreciation are bookkeeping charges to reflect exhaustion of invested capital. Depletion is ordinarily based on the value as of March 1, 1913 of timber owned on that date and on cost of later purchases, according to the requirements of the federal income tax law. Depreciation accounts are nearly always based on actual cost of the property depreciated. These overhead charges, plus net income or minus deficit, equal gross profits as here defined. The salary item is unimportant in amount, but is included in order to show whether net income has been unduly diverted by payments to officers. Since Table 16 discloses no marked differences in taxation of operated properties between the two states, it seemed best in Table 17 to make the comparison between taxes and other overhead charges in relation to income for the region as a whole, disregarding state lines, so as to obtain large samples in all groups. The size of these samples is indicated by the quantity of timber logged or manufactured, as shown in the source notes of the table. Positive net income, that is, net income of operators reporting a net income, is shown at the foot of the table, together with the total deficit of operators reporting deficits, in order to show how the figure for aggregate net income was derived. The somewhat larger proportion of federal tax to net income reported by the west side operators than by those of the east side, is probably caused by the greater investments in timberlands on the west side, and the consequent larger payments under the capital stock tax, which was a tax on the total value of the capital stock, which would, of course. be increased by large timber investments.

It is evident from Table 17 that property taxes take one-third to one-fourth as high a proportion of gross profits as the sum necessary to provide for depletion of timber. They are substantially less than depreciation charges, even in the case of the loggers, where it is not necessary to provide for depreciation of expensive sawmill plants. Property taxes are substantially greater than federal taxes in the west side counties, but are less than federal taxes in the east side counties, where the operators appear to have been able to save a higher proportion of gross profits for net income subject to the income tax.

Considering only the best year in the five for which reports were obtained, 1923, and only those operations showing a positive net income, the proportion of gross profits taken by the property tax is at a minimum. It is a little less than 7 per cent for both loggers and manufacturers west of the Cascades, and is only 3.1 per cent for the east side manufacturers. These figures, as well as the other overhead charges in net income, are shown in Table 18. It is clear that in the case of the east side manufacturers the per cents of gross profit absorbed by the different charges are all reduced by reason of larger gross profits per unit of timber manufactured, and that the percentage taken by taxes is even further reduced for the east side by lower taxes per unit of timber manufactured.

In order to show the relation of taxes to other overhead charges and gross profits in years which exhibit various degrees of prosperity or depression for the industry, Tables 19 to 23 were prepared, in which the data from Table 17 were assembled for each year separately. The proportion of gross income taken by property taxes is somewhat less in the more prosperous years, and higher in the less prosperous. It is obvious that there would be a much wider variation in the different years between ratios of taxes to net income before deduction of taxes than between the ratios of taxes to gross income. These ratios of taxes to net income before taxes are shown in Table 24. It should be kept in mind that the figures for net income are after deduction of interest on borrowed capital, but naturally without deduction for interest on the investment of the owner. If all the cases are averaged, including operations that show deficits, the range of property taxes for west side loggers is from 13 per cent in 1923 to 21 per cent in 1927, with an average of 18 per cent. In the case of west side manufacturers, property taxes take from 13 per cent of net income before taxes in 1923, to 181 per cent in 1927, with an average of 36 per cent. In the case of east side manufacturers, the percentage of property taxes to net income before taxes is much less, ranging from 5 per cent in 1923 to 18 per cent in 1927, with an average of 8 per cent.

TABLE 1

TOTAL TIMBERED AREA AS ASSESSED IN 1928, AND TIMBERED AREA REPORTED BY OWNERS AND OPERATORS, 1926

Oregon

County	Total timbered area as assessed (acres)	Timbered area reported			Per cent of total reported
		Operated blocks (acres)	Non-operated blocks (acres)	Total (acres)	
	(1)	(2)	(3)	(4)	(5)
West side					
Clatsop	245,170	41,110	36,784	77,894	31.8
Columbia	84,199	7,808	0	7,808	9.3
Coos	291,000	91,133	46,935	138,068	47.4
Douglas	632,175	22,859	81,650	104,509	16.5
Lane	450,000	22,193	123,334	145,527	32.3
Linn	307,500	12,825	51,565	64,390	20.9
Marion	56,250	22,482	2,465	24,947	44.4
Tillamook	351,760	3,428	107,906	111,334	31.6
Washington	95,400	11,653	19,628	31,281	32.8
Yamhill	37,500	6,772	3,221	9,993	26.6
Others	645,660	25,867	28,253	54,120	8.4
Total	3,196,614	268,130	501,741	769,871	24.1
East side					
Baker	130,235	0	58,227	58,227	44.7
Deschutes	187,677	136,015	0	136,015	72.5
Grant	272,120	0	48,419	48,419	17.8
Jefferson	128,659	12,556	15,314	27,870	21.7
Klamath	491,108	54,090	143,886	197,976	40.3
Lake	370,517	52,567	96,582	149,149	40.3
Umatilla	150,000	0	13,552	13,552	9.0
Union	161,054	106,368	0	106,368	66.0
Wheeler	131,123	0	56,207	56,207	42.9
Others	213,198	63,909	19,268	83,177	39.0
Total	2,235,691	425,505	451,455	876,960	39.2
Total	5,432,305	693,635	953,196	1,646,831	30.3

Sources of data:

Column 1: Tenth Biennial Report of the State Tax Commission, 1927-1928, Table 11. For counties without an official report of assessed timbered area, estimates of county assessors were used, as reported in the "Oregon Voter" of October 26,1929, page 4 (108).

Columns 2 and 3: Compiled from statements of owners and operators.

Columns 4 and 5: By computation.

TABLE 2

TOTAL TIMBERED AREA AS ASSESSED IN 1928, AND TIMBERED AREA REPORTED BY OWNERS AND OPERATORS, 1926

Washington

County	Total timbered area as assessed (acres)	Timbered area reported			Per cent of total reported
		Operated blocks (acres)	Non-operated blocks (acres)	Total (acres)	
	(1)	(2)	(3)	(4)	(5)
West side					
Clallam	316,901	0	82,491	82,491	26.0
Cowlitz	258,870	33,165	104,606	137,771	53.2
Grays Harbor	218,044	80,880	16,297	97,177	44.6
Jefferson	150,346	1,605	32,025	33,630	22.4
King	203,086	46,185	16,820	63,005	31.0
Lewis	366,650	68,003	133,323	201,326	54.9
Mason	97,952	30,483	3,952	34,435	35.2
Pacific	271,717	0	94,094	94,094	34.6
Pierce	191,528	35,614	31,201	66,815	34.9
Skagit	193,443	3,925	15,751	19,676	10.2
Skamania	100,893	0	7,084	7,084	7.0
Thurston	99,416	0	41,156	41,156	41.4
Wahkiakum	39,407	1,965	150	2,115	5.4
Whatcom	64,830	6,617	21,626	28,243	43.6
Total	2,573,083	308,442	600,576	909,018	35.3
East side					
Yakima	68,694	35,933	0	35,933	52.3
Others	380,172	112,559	0	112,559	29.6
Total	448,866	148,492	0	148,492	33.1
Total	3,021,949	456,934	600,576	1,057,510	35.0

Sources of data:

Column 1: Minutes and Official Proceedings of the State Board of Equalization, Session of 1928, page 21.

Columns 2 and 3: Compiled from statements of owners and operators.

Columns 4 and 5: By computation.

TABLE 3

AREA AND QUANTITY OF TIMBER, ASSESSED VALUE, AND TAXES FOR TIMBER PROPERTIES REPORTED, 1926

Oregon

County	Timbered area (acres)	Quantity of timber (M. bd. ft.)	Assessed value			Taxes		
			Total	Per acre	Per M	Total	Per acre	Per M
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
West side								
Clatsop	77,894	4,493,327	$ 7,182,280	$ 92.21	$1.60	$ 291,678	$3.74	$0.065
Columbia	7,808	523,920	977,445	125.18	1.87	35,292	4.52	0.067
Coos	138,068	7,129,173	2,471,922	17.90	0.35	109,587	0.79	0.015
Douglas[a]	104,509	4,126,866	1,676,671	16.96	0.46	60,311	0.58	0.015
Lane	145,527	8,875,773	3,529,012	24.25	0.40	101,149	0.70	0.011
Linn	64,390	3,817,856	1,186,775	18.43	0.31	46,118	0.72	0.012
Marion	24,947	1,610,334	522,865	20.96	0.32	18,188	0.73	0.011
Tillamook[a]	111,334	6,816,073	6,516,470	59.07	0.97	237,951	2.14	0.035
Washington	31,281	1,805,497	1,492,763	47.72	0.83	60,323	1.93	0.033
Yamhill	9,993	576,326	383,840	38.41	0.67	10,234	1.02	0.018
Others[a]	54,120	1,827,522	1,127,010	22.89	0.64	53,530	0.99	0.029
Total	769,871	41,600,667	27,067,053	35.69	0.66	1,024,361	1.33	0.025
East side								
Baker[a]	58,227	652,423	239,990	5.77	0.51	14,056	0.24	0.022
Deschutes	136,015	2,115,895	1,356,241	9.97	0.64	58,802	0.43	0.028
Grant[a]	48,419	573,588	217,525	6.91	0.53	8,458	0.17	0.015
Jefferson[a]	27,870	436,447	181,770	14.48	0.90	8,885	0.32	0.020
Klamath	197,976	3,282,494	3,231,532	16.32	0.98	85,023	0.43	0.026
Lake	149,149	2,826,981	1,853,952	12.43	0.66	41,358	0.28	0.015
Umatilla	13,552	137,020	72,260	5.33	0.53	1,473	0.11	0.011
Union	106,368	810,385	645,368	6.07	0.80	14,734	0.14	0.018
Wheeler	56,207	680,846	675,550	12.02	0.99	14,866	0.26	0.022
Others	83,177	757,227	626,198	7.53	0.83	21,560	0.26	0.028
Total	876,960	12,273,306	9,100,386	10.99	0.78	269,215	0.31	0.022
Total	1,646,831	53,873,973	$36,167,439	$22.80	$0.69	$1,293,576	$0.79	$0.024

[a] In the designated counties a few statements were used in which either assessed value or amount of taxes was not reported. All of these cases are represented in Columns 1 and 2, while only those cases reporting assessed value are represented in Columns 3 to 5, and only those reporting taxes paid are represented in Columns 6 to 8.

Sources of data:
Columns 1, 2, 3, and 6: Compiled from statements of owners and operators.
Columns 4, 5, 7, and 8: By computation.

TABLE 4

AREA AND QUANTITY OF TIMBER, ASSESSED VALUE, AND TAXES FOR TIMBER PROPERTIES REPORTED, 1926

Washington

County	Timbered area (acres)	Quantity of timber (M bd. ft.)	Assessed value			Taxes		
			Total	Per acre	Per M	Total	Per acre	Per M
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
West side								
Clallam	82,491	2,908,546	$ 3,286,798	$39.84	$1.13	$ 88,220	$1.07	$0.030
Cowlitz	137,771	7,902,821	8,400,600	60.98	1.06	240,387	1.74	0.030
Grays Harbor	97,177	3,595,561	8,365,490	86.08	2.33	269,438	2.77	0.075
Jefferson	33,630	1,246,945	1,257,156	37.38	1.01	29,949	0.89	0.024
King	63,005	2,802,118	4,811,770	76.37	1.72	151,232	2.40	0.054
Lewis	201,326	8,688,382	8,140,830	40.44	0.94	238,362	1.18	0.027
Mason	34,435	1,136,901	2,035,624	59.11	1.79	59,020	1.71	0.052
Pacific	94,094	3,288,840	5,575,790	59.26	1.70	146,928	1.56	0.045
Pierce	66,815	3,721,228	4,237,960	63.43	1.14	98,239	1.47	0.026
Skagit[a]	19,676	846,144	1,154,530	70.72	1.48	34,998	1.78	0.041
Skamania	7,084	252,214	179,790	25.38	0.71	4,572	0.65	0.018
Thurston	41,156	1,341,843	3,532,124	85.82	2.63	116,972	2.84	0.087
Wahkiakum	2,115	173,853	152,040	71.89	0.87	5,484	2.59	0.032
Whatcom	28,243	939,637	1,019,102	36.08	1.08	32,384	1.15	0.034
Total	909,018	38,845,033	52,149,604	57.58	1.34	1,516,185	1.67	0.039
East side								
Yakima	35,933	164,189	72,144	2.01	0.44	1,901	0.05	0.012
Others	112,559	561,583	1,084,908	9.64	1.93	21,185	0.19	0.038
Total	148,492	725,772	1,157,052	7.79	1.59	23,086	0.16	0.032
Total	1,057,510	39,570,805	$53,306,656	$50.57	$1.35	$1,539,271	$1.46	$0.039

[a] Skagit includes 3,351 acres in Column 1, and 67,000 M bd. ft. in Column 2, for which the assessed value was not reported. These figures were excluded in computing Columns 4 and 5.

Sources of data:
Columns 1, 2, 3, and 6: Compiled from statements of owners and operators.
Columns 4, 5, 7, and 8: By computation.

Note:
In Columns 3 to 5 the figures are double the official assessed values, which in the state of Washington are fixed by law at 50 per cent of "true and fair" value.

TABLE 5

COMPARISON OF REPORTED AND ASSESSED VALUE OF TIMBER PROPERTIES, 1926

Selected Counties of Oregon

County	Assessed value (1)	Reported value (2)	Assessment ratio (3)
West side			
Clatsop	$ 7,182,280	$15,245,646	47
Coos	2,471,922	10,710,739	23
Douglas	1,676,671	5,155,038	33
Lane	3,529,012	12,110,762	29
Linn	1,186,775	5,034,320	24
Marion	522,865	4,260,931	12
Tillamook	6,503,170	15,373,319	42
Washington	1,197,790	2,378,506	50
Total	24,270,485	70,269,261	35
East side			
Deschutes	1,356,241	5,873,075	23
Grant	217,525	660,450	33
Klamath	3,231,532	10,311,700	31
Lake	1,853,952	7,533,998	25
Union	645,368	1,904,283	34
Wheeler	675,550	1,932,316	35
Total	7,980,168	28,215,822	28
Total	$32,250,653	$98,485,083	33

Sources of data:
Columns 1 and 2: Compiled from statements of owners and operators.
Column 3: By computation.

TABLE 6

COMPARISON OF REPORTED AND ASSESSED VALUE OF TIMBER PROPERTIES, 1926

Selected Counties of Washington

County	Assessed value (1)	Reported value (2)	Assessment Ratio (3)
West side			
Clallam	$ 3,286,798	$ 6,377,773	52
Clowlitz	8,400,600	18,636,929	45
Grays Harbor	8,365,490	11,578,966	72
Jefferson	1,257,156	2,395,501	52
King	4,811,770	8,360,982	58
Lewis	8,140,830	25,352,202	32
Mason	2,035,624	3,066,196	66
Pacific	5,575,790	9,783,449	57
Pierce	4,237,960	6,990,598	61
Thurston	3,532,124	3,500,120	101
Whatcom	1,019,102	1,997,805	51
Total	$50,663,244	$98,040,521	52

Sources of data:
Columns 1 and 2: Compiled from statements of owners and operators.
Column 3: By computation.

Note:
The figures in Column 1 are double the official assessed values, which in the state of Washington are fixed by law at 50 per cent of "true and fair" values.

TABLE 7

AREA, QUANTITY OF TIMBER, APPRAISED VALUE, AND ASSESSED VALUE FOR ALL TIMBERLAND AS ASSESSED, MARCH 1, 1928

Selected Counties, Oregon and Washington

State and county	Area (acres)	Quantity of timber		Appraised value			Assessed value			Assessment ratio (per cent)
		Total (Million bd. ft.)	Per acre (M bd. ft.)	Total	Per acre	Per M	Total	Per acre	Per M	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Oregon										
West side										
Clatsop	245,170	9,000	36.71	$28,755,000	$117.29	$3.20	$12,419,890	$50.66	$1.38	43
Coos	291,000	12,000	41.24	20,161,250	69.28	1.68	7,200,000	24.74	0.60	36
Lane	450,000	15,000	33.33	19,672,500	43.72	1.31	9,000,000	20.00	0.60	46
Tillamook	351,760	17,000	48.33	38,717,500	110.07	2.28	16,459,695	46.79	0.97	43
East side										
Baker	130,235	1,250	9.60	3,788,000	29.09	3.03	1,440,375	11.06	1.15	38
Grant	272,120	3,000	11.02	4,740,000	17.42	1.58	1,989,479	7.31	0.66	42
Klamath	491,108	7,500	15.27	21,457,500	43.69	2.86	9,198,400	18.73	1.23	43
Washington										
West side										
Clallam	316,901	12,600	39.76	26,450,000	83.46	2.10	16,938,610	53.45	1.34	64
Grays Harbor	218,044	9,000	41.28	32,600,000	149.51	3.62	17,547,806	80.48	1.95	54
Lewis	366,650	17,000	46.37	37,025,000	100.98	2.18	19,371,770	52.83	1.14	52

Sources of data:

Columns 1 and 7: Oregon, Tenth Biennial Report of the State Tax Commission, 1927-8, Table 11, except Coos, Lane, and Klamath counties for which estimates by the county assessors are used. Washington, State Board of Equalization, Session of 1928, pages 21 and 22.

Column 2: Estimates based on Forest Service figures of 1923 adjusted, by county cruises, and by information furnished by foresters and lumbermen.

Column 4; Computed from average unit values of different species for each county as estimated by a valuation expert.

Columns 3, 5, 6, 8, 9, and 10: By computation.

Note:

The figures for Washington in Columns 7 to 9 are double the official assessed values, which in that state are fixed by law at 50 per cent of "true and fair" value.

COMPARISON OF VALUES AND ASSESSMENT RATIOS OF TIMBERLANDS FROM VARIOUS SOURCES, 1921-1928

Selected Counties, Oregon and Washington

State and county	Value per acre			Assessed value per acre			Assessed value per M		Assessment ratio (per cent)		
	Entire county (1)	Reports (2)	Realized in sales (3)	Entire county (4)	Reports (5)	Involved in sales (6)	Entire county (7)	Reports (8)	Entire county (9)	Reports (10)	Based on sales (11)
Oregon											
West side											
Clatsop	$117.29	$195.72	$70.55	$50.66	$92.21	$28.59	$1.38	$1.60	43	47	41
Coos	69.28	77.58	45.80	24.74	17.90	19.94	0.60	0.35	36	23	40
Lane	43.72	83.22	24.96	20.00	24.25	10.47	0.60	0.40	46	29	42
Tillamook	110.07	139.56	56.44	46.79	59.07	38.99	0.97	0.97	43	42	69
East side											
Baker	29.09	---	13.68	11.06	5.77	9.23	1.15	0.51	38	---	67
Grant	17.42	20.99	10.64	7.31	6.91	6.80	0.66	0.53	42	33	64
Klamath	43.69	52.09	17.85	18.73	16.32	8.79	1.23	0.98	43	31	49
Washington											
West side											
Clallam	83.46	77.31	48.82	53.45	39.84	39.07	1.34	1.13	64	52	80
Grays Harbor	149.51	119.15	52.92	80.48	86.08	43.57	1.95	2.33	54	72	72
Lewis	100.98	125.93	---	52.83	40.44	---	1.14	0.94	52	32	---

Sources of data:

Columns 1, 4, 7, and 9: From Table 7, Columns 5, 8, 9, and 10 respectively.

Column 2: By computation; Tables 5 and 6, Column 2 divided by the corresponding timber areas as reported in statements of owners and operators.

Column 3: Progress report No. 6, Table 11, Column 3.

Column 5: Tables 3 and 4, Column 4.

Column 6: By computation from Progress report No. 6; Table 4, Column 3 and Table 3, Column 3.

Column 8: Tables 3 and 4, Column 5.

Column 10: Tables 5 and 6, Column 3.

Column 11: Progress report No. 6, Table 6, Column 3.

Note:

The figures for Washington in Columns 4 to 11 are double the official assessed values, which in that state are fixed by law at 50 per cent of "true and fair" values.

TABLE 8

TREND IN ASSESSED VALUE OF TIMBERLANDS, BASED ON PROPERTIES REPORTED, 1914-1926

Oregon and Washington

State and county	Properties reported		Assessed value											
	Area (acres)	Timber (M bd. ft.)	Total				Per Acre				Per M bd. ft.			
			1914	1919	1924	1926	1914	1919	1924	1926	1914	1919	1924	1926
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Oregon														
West side														
Clatsop	36,784	1,782,037	$ 735,258	$ 1,077,296	$ 2,263,990	$ 2,271,660	$32.93	$48.25	$61.55	$61.76	$0.576	$0.843	$1.270	$1.275
Coos	46,935	2,526,957	829,120	1,120,110	1,002,745	1,008,285	25.75	23.87	21.36	21.48	0.483	0.443	0.397	0.399
Douglas	81,650	3,313,086	558,230	709,485	1,415,740	1,394,696	8.39	10.61	18.63	18.35	0.208	0.265	0.493	0.486
Lane	123,334	7,577,483	1,829,586	1,635,266	1,826,014	2,980,199	15.19	13.58	15.16	24.16	0.248	0.221	0.247	0.393
Linn	51,565	3,453,626	606,980	615,890	1,027,600	1,026,100	19.45	19.74	19.93	19.90	0.291	0.295	0.298	0.297
Tillamook	107,906	6,524,102	2,792,320	3,593,805	5,936,730	6,202,980	31.62	38.65	55.54	58.03	0.505	0.633	0.924	0.965
Washington	19,628	1,213,515	363,255	498,490	1,007,490	1,111,410	20.80	28.54	51.33	56.62	0.346	0.475	0.830	0.916
Yamhill	3,221	144,950	46,510	57,045	130,010	94,450	16.53	20.27	40.36	29.32	0.422	0.518	0.897	0.652
Others	30,718	1,007,848	618,495	588,200	624,010	667,490	23.95	22.78	24.16	25.85	0.663	0.631	0.669	0.716
Total	501,741	27,543,604	8,379,754	9,895,587	15,234,329	16,757,270	20.58	23.19	31.26	34.19	0.368	0.417	0.570	0.622
East side														
Baker	63,000	712,921	---	---	282,830	239,990	---	---	6.10	5.77	---	---	0.530	0.507
Grant	48,419	573,588	10,356	65,556	58,422	217,525	6.00	6.00	5.34	6.91	0.358	0.455	0.406	0.525
Klamath	143,886	2,460,326	120,900	630,818	2,153,455	2,509,572	5.82	11.73	14.97	17.44	0.416	0.658	0.875	1.020
Lake	96,582	1,964,340	188,340	590,655	1,093,018	1,214,350	19.99	9.18	11.32	12.57	0.266	0.401	0.556	0.618
Umatilla	13,552	137,020	8,260	8,160	8,260	72,260	5.58	5.51	5.58	5.33	0.403	0.398	0.403	0.527
Wheeler	56,207	680,846	452,140	454,675	578,300	675,550	8.04	8.09	10.29	12.02	0.664	0.668	0.849	0.992
Others	35,582	465,880	---	---	6,580	148,482	---	---	6.58	7.71	---	---	0.651	0.670
Total	457,228	6,994,921	779,996	1,749,864	4,180,865	5,077,729	8.71	9.37	11.73	12.61	0.451	0.534	0.719	0.800
Total	958,969	34,538,525	9,159,750	11,645,451	19,415,194	21,834,999	18.44	18.98	23.01	24.46	0.374	0.431	0.596	0.656
Washington														
West side														
Clallam	82,491	2,908,546	3,897,190	3,370,214	3,325,756	3,286,798	40.19	35.60	40.39	39.84	1.110	0.985	1.135	1.130
Grays Harbor	41,367	1,524,848	1,681,760	1,731,480	1,080,190	1,238,780	49.08	45.85	85.07	76.01	1.545	1.257	2.049	1.899
Jefferson	32,025	1,229,451	1,284,258	1,472,250	1,342,910	1,165,494	36.03	41.31	41.93	36.39	0.900	1.031	1.092	0.948
King	16,820	797,689	526,980	492,160	1,179,730	1,169,070	37.97	35.46	73.18	69.50	0.791	0.738	1.546	1.466
Lewis	133,323	4,383,565	2,042,472	2,065,832	2,468,326	3,925,110	22.32	22.38	27.89	29.44	0.556	0.557	0.818	0.895
Mason	5,757	149,700	62,960	60,030	---	164,910	34.59	33.26	---	41.73	0.330	0.605	---	3.271
Pacific	94,094	3,288,840	4,929,140	4,577,930	4,685,670	5,575,790	52.39	48.65	49.80	59.26	1.499	1.392	1.425	1.695
Pierce	31,201	1,624,167	1,215,384	973,190	1,453,860	1,509,980	36.08	28.87	43.79	48.40	0.682	0.548	0.830	0.930
Skagit	15,751	579,244	156,280	200,828	419,930	509,400	15.33	19.70	41.20	41.08	0.377	0.484	1.013	0.994
Skamania	7,084	252,214	---	66,050	253,346	179,790	---	44.63	33.49	25.38	---	1.321	0.945	0.713
Thurston	41,156	1,341,843	132,626	117,826	70,002	3,532,124	19.47	17.92	20.83	85.82	1.064	0.979	1.136	2.632
Whatcom	21,626	738,480	250,124	392,694	413,450	757,736	19.03	29.88	31.46	35.04	0.631	0.991	1.044	1.026
Others	104,756	5,808,576	1,221,068	1,284,622	4,766,190	4,776,840	13.87	14.34	45.50	45.60	0.250	0.258	0.821	0.822
Total	627,451	24,627,163	17,400,242	16,805,106	21,459,360	27,791,822	33.46	32.02	43.09	46.53	0.815	0.773	1.049	1.178
Total	1,586,420	59,165,688	$26,559,992	$28,450,557	$40,874,554	$49,626,821	$26.12	$24.99	$30.46	$33.31	$0.579	$0.583	$0.771	$0.873

Sources of data:
Columns 1 to 6: Compiled from reports of owners.
Columns 7 to 14: By computation.

Note:

There was a slight variation in the size of some of the sample properties, the figures in Columns 1 and 2 representing the condition in 1926. When necessary, adjustments to these figures were made in computing values per acre and per M board feet, for the years prior to 1926.

The figures for Washington in Columns 3 to 14 are double the official assessed values, which in that state are fixed by law at 50 per cent of "true and fair" values.

TABLE 10

TREND IN TAXES ON TIMBERLANDS, BASED ON PROPERTIES REPORTED, 1914-1926

Oregon and Washington

State and county	Properties reported		Taxes paid											
	Area (acres)	Timber (M bd. ft.)	Total				Per acre				Per M bd. ft.			
			1914	1919	1924	1926	1914	1919	1924	1926	1914	1919	1924	1926
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Oregon														
West side														
Clatsop	36,784	1,782,037	$ 19,124	$ 48,639	$ 89,319	$ 91,766	$0.86	$2.18	$2.43	$2.49	$0.015	$0.038	$0.050	$0.051
Coos	46,935	2,526,957	22,545	39,220	52,314	47,714	0.70	0.84	1.11	1.02	0.013	0.016	0.021	0.019
Douglas	81,650	3,313,086	10,527	25,156	47,438	49,977	0.15	0.35	0.58	0.61	0.003	0.008	0.014	0.015
Lane	123,334	7,577,483	36,796	44,313	73,043	86,934	0.30	0.36	0.59	0.70	0.005	0.006	0.010	0.011
Linn	51,565	3,453,626	9,812	11,632	35,553	39,209	0.29	0.37	0.69	0.76	0.005	0.006	0.010	0.011
Tillamook	107,906	6,524,102	56,650	76,320	183,972	225,962	0.64	0.86	1.72	2.09	0.010	0.014	0.029	0.035
Washington	19,628	1,213,515	6,621	16,440	36,814	45,017	0.38	0.94	1.88	2.29	0.006	0.016	0.030	0.037
Yamhill	3,221	144,950	1,134	1,644	3,743	2,703	0.40	0.58	1.16	0.84	0.010	0.015	0.026	0.019
Others	30,718	1,007,848	15,516	22,003	30,445	34,830	0.60	0.85	1.18	1.13	0.017	0.024	0.033	0.035
Total	501,741	27,543,604	178,725	285,367	552,641	624,112	0.43	0.66	1.11	1.24	0.009	0.012	0.020	0.023
East side														
Baker	63,000	712,921	---	---	5,396	14,056	---	---	0.12	0.24	---	---	0.010	0.022
Grant	48,419	573,588	1,141	1,440	1,844	8,458	0.10	0.12	0.17	0.17	0.008	0.010	0.013	0.015
Klamath	143,886	2,460,326	3,365	16,409	60,401	66,387	0.18	0.30	0.42	0.46	0.013	0.017	0.025	0.027
Lake	96,582	1,964,340	3,820	11,184	24,791	27,478	0.41	0.17	0.26	0.28	0.005	0.008	0.013	0.014
Umatilla	13,552	137,020	74	157	163	1,473	0.05	0.11	0.11	0.11	0.004	0.008	0.008	0.011
Wheeler	56,207	680,846	8,776	10,830	12,855	14,866	0.16	0.19	0.23	0.26	0.013	0.016	0.019	0.022
Others	35,582	465,880	---	---	126	9,488	---	---	0.13	0.27	---	---	0.012	0.021
Total	457,228	6,994,921	17,476	40,020	105,576	142,206	0.18	0.21	0.30	0.31	0.009	0.012	0.018	0.021
Total	958,969	34,538,525	196,201	325,387	658,217	766,318	0.38	0.53	0.77	0.80	0.008	0.012	0.020	0.022
Washington														
West side														
Clallam	82,491	2,908,546	50,024	60,578	78,348	88,220	0.52	0.64	0.95	1.07	0.014	0.018	0.027	0.030
Grays Harbor	41,367	1,524,848	23,389	40,388	32,063	40,701	0.68	1.07	2.53	2.50	0.021	0.029	0.061	0.062
Jefferson	32,025	1,229,451	22,223	27,292	27,658	27,229	0.62	0.77	0.86	0.85	0.016	0.019	0.022	0.022
King	16,820	797,689	8,991	12,027	28,717	30,327	0.65	0.87	1.78	1.80	0.013	0.018	0.038	0.038
Lewis	133,323	4,383,565	42,967	50,544	67,605	119,079	0.47	0.55	0.76	0.89	0.012	0.014	0.022	0.027
Mason	5,757	149,700	1,241	1,446	---	4,522	0.68	0.80	---	1.14	0.012	0.015	---	0.090
Pacific	94,094	3,288,840	86,009	110,849	137,341	146,928	0.91	1.18	1.46	1.56	0.026	0.034	0.042	0.045
Pierce	31,201	1,624,167	21,322	27,135	43,624	46,190	0.63	0.80	1.31	1.48	0.012	0.015	0.025	0.028
Skagit	15,751	579,244	3,643	6,690	10,655	16,974	0.36	0.66	1.05	1.08	0.009	0.016	0.026	0.029
Skamania	7,084	252,214	---	1,556	6,245	4,572	---	1.05	0.83	0.65	---	0.031	0.023	0.018
Thurston	41,156	1,341,843	2,060	2,676	1,937	116,972	0.30	0.41	0.58	2.84	0.017	0.022	0.031	0.087
Whatcom	21,626	738,480	5,356	10,890	14,431	25,813	0.41	0.83	1.10	1.19	0.014	0.027	0.036	0.035
Others	104,756	5,808,576	25,161	32,647	108,771	133,988	0.29	0.36	1.04	1.28	0.005	0.007	0.019	0.023
Total	627,451	24,627,163	292,386	384,718	557,395	801,515	0.56	0.73	1.12	1.33	0.014	0.018	0.027	0.034
Total	1,586,420	59,165,688	$488,587	$710,105	$1,215,612	$1,567,833	$0.47	$0.62	$0.90	$1.01	$0.010	$0.014	$0.023	$0.027

Sources of data:
Columns 1 to 6: Compiled from reports of owners.
Columns 7 to 14: By computation.

Note:
Taxes are paid in Oregon and Washington on the assessment and levy of the previous year, so that the taxes shown in this table were actually paid in the year succeeding that given. As in Table 5, the size of the samples is as of 1926, and slight variations in prior years were taken account of in computing taxes per acre and per M board feet.

TABLE 11

TAXES PER THOUSAND BOARD FEET OF TIMBER BASED ON PROPERTIES REPORTED, 1899-1926

West Side Counties, Oregon

Assessment year	Taxes as paid (1)	Taxes corrected to 1926 basis (2)
1899	$0.0007	$0.0012
1904	0.0019	0.0032
1909	0.0057	0.0081
1914	0.0089	0.0128
1919	0.0151	0.0098
1924	0.0216	0.0209
1926	0.0264	0.0277

Sources of data:

Compiled and computed from reports of owners.

Notes:

The total area of the samples used is 55,391 acres. The timbered area for the years 1925 and 1927 is 54,591 acres; in other years, the same as the total area.

The quantity of timber in the samples in 1925 and 1927 is 3,460,095,000 board feet; in other years, 3,495,720,000 board feet.

The year is that of the assessment and levy, the taxes being paid one year later.

The index numbers used in computing Column 2 are those of the United States Bureau of Labor Statistics for the wholesale prices of all commodities. Since taxes are paid in the year following the assessment, the index numbers are those of the following year.

TABLE 12

TAXATION OF CUT-OVER LAND PROPERTIES REPORTED, 1922 AND 1926

Oregon and Washington

State and county	1922					1926				
	Area (acres)	Assessed value		Taxes		Area (acres)	Assessed value		Taxes	
		Total	Per acre	Total	Per acre		Total	Per acre	Total	Per acre
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Oregon										
West side										
Clatsop	13,020	$ 45,140	$3.47	$ 1,869	$0.14	22,260	$ 54,550	$ 2.45	$ 2,774	$0.12
Marion	7,130	35,550	4.99	1,966	0.28	14,469	72,345	5.00	2,948	0.20
Others	51,802	247,859	4.78	10,655	0.21	73,791	328,516	4.45	10,784	0.15
Total	71,952	328,549	4.57	14,490	0.20	110,520	455,411	4.12	16,506	0.15
East side										
Deschutes	55,653	112,795	2.03	6,580	0.12	106,247	212,369	2.00	12,942	0.12
Others	36,358	148,512	4.08	2,231	0.06	66,297	213,629	3.22	7,060	0.11
Total	92,011	261,307	2.84	8,811	0.10	172,544	425,998	2.47	20,002	0.12
Total	163,963	589,856	3.60	23,301	0.14	283,064	881,409	3.11	36,508	0.13
Washington										
West side										
Grays Harbor	52,722	246,814	4.68	8,641	0.16	73,451	312,684	4.26	11,301	0.15
Lewis	12,226	104,638	8.56	3,602	0.29	14,785	195,362	13.21	6,321	0.43
Mason	16,524	71,130	4.30	1,956	0.12	20,085	73,050	3.64	2,301	0.11
Others	46,796	376,896	8.05	27,784	0.59	74,461	493,310	6.62	48,897	0.66
Total	128,268	799,478	6.23	41,983	0.33	182,782	1,074,406	5.88	68,820	0.38
East side	22,254	66,762	3.00	1,201	0.05	39,348	113,164	2.88	2,065	0.05
Total	150,522	866,240	5.75	43,184	0.29	222,130	1,187,570	5.35	70,885	0.32
Total	314,485	$1,456,096	$4.63	$66,485	$0.21	505,194	$2,068,979	$ 4.10	$107,393	$0.21

Sources of data:
Columns 1, 2, 4, 6, 7, and 9: Compiled from reports of timber operators.
Columns 3, 5, 8, and 10: By computation.

Note:
The figures for Washington in Columns 2, 3, 7, and 8 are double the official assessed values, which in that state are fixed by law at 50 per cent of "true and fair" values.

TABLE 13

QUANTITY OF TIMBER, VALUE, CHARGES, AND INCIDENTAL INCOME FOR NON-OPERATED TIMBER PROPERTIES, 1925-1927

Oregon and Washington

State, region, and group	Quantity of timber 12/31/27 (M bd. ft.)	Value	Average annual charges					Average annual incidental income
			Property taxes	Interest	Fire protection	Administration	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Oregon								
West side								
Group 1	1,525,394	$ 2,837,161	$ 45,558	$ 60,750	$ 1,470	$ 20	$107,798	$ 8
Group 2	25,723,143	42,221,517	541,976	47,272	20,075	53,680	663,003	775
Total	27,248,537	45,058,678	587,534	108,022	21,545	53,700	770,801	783
East side								
Group 1	2,224,344	5,651,105	51,368	58,776	8,832	7,662	126,638	5,406
Group 2	4,820,577	11,274,013	76,506	22,190	7,397	19,312	125,405	15,264
Total	7,044,921	16,925,118	127,874	80,966	16,229	26,974	252,043	20,670
Washington								
West side								
Group 1	428,557	973,042	25,920	0	108	0	26,028	0
Group 2	24,093,343	61,244,560	764,172	13,430	32,623	110,330	920,555	0
Total	24,521,900	62,217,602	790,092	13,430	32,731	110,330	946,583	0

Source of data:
Compiled from reports of owners.

Note:
Group 1 includes all properties the values of which are based on cost since March 1, 1913; group 2, all properties the values of which are based on appraisals as of either March 1, 1913 or December 31, 1927.
In this and succeeding tables, the term "interest" means interest actually paid on borrowed capital.

TABLE 14

VALUE, CHARGES, AND INCIDENTAL INCOME PER THOUSAND BOARD FEET OF TIMBER FOR NON-OPERATED TIMBER PROPERTIES, 1923-1927

Oregon and Washington

State, region, and group	Value	Average annual charges					Average annual incidental income
		Property taxes	Interest	Fire protection	Administration	Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Oregon							
West side							
Group 1	$1.86	$0.030	$0.040	$0.001	a	$0.071	a
Group 2	1.64	0.021	0.002	0.001	$0.002	0.026	a
Total	1.65	0.022	0.004	0.001	0.002	0.028	a
East side							
Group 1	2.54	0.023	0.026	0.004	0.003	0.057	$0.002
Group 2	2.34	0.016	0.005	0.002	0.004	0.026	0.003
Total	2.40	0.018	0.011	0.002	0.004	0.036	0.003
Washington							
West side							
Group 1	2.27	0.060	0.000	a	0.000	0.061	0.000
Group 2	2.54	0.032	0.001	0.001	0.005	0.038	0.000
Total	2.54	0.032	0.001	0.001	0.004	0.039	0.000

a Less than $0.0005

Source of data:
By computation from Table 13.

Note:
Group 1 includes all properties the values of which are based on cost since March 1, 1913; group 2, all properties the values of which are based on appraisals as of either March 1, 1913 or December 31. 1927.

TABLE 15

RATIO OF AVERAGE ANNUAL CHARGES AND INCIDENTAL INCOME TO VALUE, NON-OPERATED TIMBER PROPERTIES, 1923-1927

Oregon and Washington

(Per cent)

State, region, and group	Average annual charges					Average annual incidental income
	Property taxes	Interest	Fire protection	Administration	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
Oregon						
West side						
Group 1	1.61	2.14	0.05	a	3.80	a
Group 2	1.28	0.11	0.05	0.13	1.57	a
Total	1.30	0.24	0.05	0.12	1.71	a
East side						
Group 1	0.91	1.04	0.16	0.13	2.24	0.10
Group 2	0.68	0.20	0.06	0.17	1.11	0.14
Total	0.75	0.48	0.10	0.16	1.49	0.12
Washington						
West side						
Group 1	2.66	0.00	0.01	0.00	2.67	0.00
Group 2	1.25	0.02	0.05	0.18	1.50	0.00
Total	1.27	0.02	0.05	0.18	1.52	0.00

a Less than 0.005 per cent.

Source of data:
By computation from Table 13.

Note:
Group 1 includes all properties the values of which are based on cost since March 1, 1913; group 2, all properties the values of which are based on appraisals as of either March 1, 1913 or December 31, 1927.

TABLE 16

RELATION BETWEEN AVERAGE INVESTMENT AND PROPERTY TAXES, OPERATED TIMBER PROPERTIES, 1923-1927

Oregon and Washington

		Timber and land (1)	Plant (2)	Total (3)
Oregon				
West side - Loggers				
Average investment	dollars	5,445,622	3,968,866	9,414,488
Average annual property taxes	dollars	114,688	22,756	137,444
Ratio of taxes to investment	per cent	2.1	0.6	1.5
West side - Manufacturers				
Average investment	dollars	29,325,484	16,739,002	46,064,486
Average annual property taxes	dollars	356,966	147,677	504,643
Ratio of taxes to investment	per cent	1.2	0.9	1.1
East side - Manufacturers				
Average investment	dollars	13,540,397	8,342,687	21,883,084
Average annual property taxes	dollars	141,562	88,226	229,788
Ratio of taxes to investment	per cent	1.0	1.1	1.0
Washington				
West side - Loggers				
Average investment	dollars	14,043,400	4,907,524	18,950,924
Average annual property taxes	dollars	300,960	65,670	366,630
Ratio of taxes to investment	per cent	2.1	1.3	1.9
West side - Manufacturers				
Average investment	dollars	32,877,958	24,219,297	57,097,255
Average annual property taxes	dollars	469,917	275,577	745,494
Ratio of taxes to investment	per cent	1.4	1.1	1.3
East side - Manufacturers				
Average investment	dollars	789,946	1,541,950	2,331,896
Average annual property taxes	dollars	25,906	21,732	47,638
Ratio of taxes to investment	per cent	3.3	1.4	2.0

Source of data:
Compiled from reports of operators.

TABLE 17

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1923-1927

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Overhead expenses									
Property taxes									
Timberlands	$1,691,587	$0.54	7.1	$2,039,462	$0.43	6.3	$ 491,689	$0.29	2.3
Cut-over lands	63,351	0.02	0.3	257,571	0.06	0.8	53,215	0.03	0.3
Plant	305,986	0.10	1.3	1,458,347	0.31	4.5	357,104	0.21	1.7
Total	2,060,924	0.66	8.7	3,755,380	0.80	11.6	902,008	0.53	4.3
Other taxes									
State and local	30,530	0.01	0.1	25,880	0.01	0.1	84,574	0.05	0.4
Federal	1,270,229	0.41	5.3	1,337,549	0.28	4.1	1,351,698	0.80	6.4
Total	1,300,759	0.42	5.4	1,363,429	0.29	4.2	1,436,272	0.85	6.8
Interest	1,081,450	0.35	4.5	2,648,017	0.56	8.1	2,295,471	1.36	10.9
Depletion	8,044,566	2.57	33.7	10,757,039	2.28	33.1	3,667,175	2.17	17.4
Depreciation	2,755,477	0.88	11.5	7,749,661	1.64	23.8	2,686,672	1.59	12.8
Salaries of officers	393,067	0.12	1.6	977,431	0.21	3.0	461,526	0.27	2.2
Total	15,636,243	5.00	65.4	27,250,957	5.78	83.8	11,449,124	6.77	54.4
Net income	8,272,169	2.64	34.6	5,260,428	1.12	16.2	9,605,568	5.68	45.6
Gross profits	23,908,412	7.64	100.0	32,511,385	6.90	100.0	21,054,692	12.45	100.0
Positive net income	8,638,429	2.76	---	8,741,378	1.85	---	9,605,568	5.68	---
Deficit	366,260	0.12	---	3,480,950	0.73	---	0	0.00	---

Sources of data:

Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.

Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.

Columns 3, 6, and 9 by computation.

TABLE 18

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS REPORTING NET INCOME, 1923

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Overhead expenses									
Property taxes									
Timberlands	$ 226,114	$0.56	5.6	$ 291,171	$0.38	3.5	$ 94,934	$0.30	1.8
Cut-over lands	10,887	0.03	0.3	35,612	0.05	0.4	7,781	0.03	0.2
Plant	38,355	0.09	0.9	233,707	0.30	2.8	58,313	0.18	1.1
Total	275,356	0.68	6.8	560,490	0.73	6.7	161,028	0.51	3.1
Other taxes									
State and local	6,662	0.02	0.2	2,358	a	b	683	a	b
Federal	213,912	0.53	5.3	512,082	0.67	6.2	276,678	0.88	5.3
Total	220,574	0.55	5.5	514,440	0.67	6.2	277,361	0.88	5.3
Interest	28,722	0.07	0.7	446,013	0.58	5.4	529,962	1.68	10.2
Depletion	1,173,796	2.90	29.0	1,665,295	2.17	20.0	703,423	2.22	13.5
Depreciation	261,499	0.64	6.4	1,115,094	1.46	13.4	432,255	1.37	8.3
Salaries of officers	66,017	0.16	1.6	173,400	0.23	2.1	86,542	0.27	1.7
Total	2,025,964	5.00	50.0	4,474,732	5.84	53.8	2,190,571	6.93	42.1
Net income	2,028,654	5.01	50.0	3,847,305	5.03	46.2	3,012,859	9.54	57.9
Gross profits	4,054,618	10.01	100.0	8,322,037	10.87	100.0	5,203,430	16.47	100.0

a Less than $0.005.
b Less than 0.05 per cent.

Sources of data:
Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.
Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.
Columns 3, 6, and 9 by computation.

TABLE 19

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1923

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total (1)	Per M bd. ft. (2)	Per cent (3)	Total (4)	Per M bd. ft. (5)	Per cent (6)	Total (7)	Per M bd. ft. (8)	Per cent (9)
Overhead expenses									
Property taxes									
Timberlands	$ 282,728	$0.64	6.6	$ 351,014	$0.39	4.1	$ 94,934	$0.30	1.8
Cut-over lands	11,002	0.02	0.2	38,198	0.04	0.4	7,781	0.03	0.2
Plant	43,015	0.10	1.0	262,506	0.30	3.1	58,313	0.18	1.1
Total	336,745	0.76	7.8	651,718	0.73	7.6	161,028	0.51	3.1
Other taxes									
State and local	7,032	0.02	0.2	2,553	a	b	683	a	b
Federal	215,535	0.48	5.0	512,082	0.57	6.0	276,678	0.88	5.3
Total	222,567	0.50	5.2	514,635	0.57	6.0	277,361	0.88	5.3
Interest	112,403	0.25	2.6	461,440	0.52	5.4	529,962	1.68	10.2
Depletion	1,264,871	2.85	29.3	1,867,632	2.09	21.9	703,423	2.22	13.5
Depreciation	312,620	0.71	7.3	1,175,838	1.31	13.8	432,255	1.37	8.3
Salaries of officers	72,017	0.16	1.7	191,400	0.21	2.3	86,542	0.27	1.7
Total	2,321,223	5.23	53.9	4,862,663	5.43	57.0	2,190,571	6.93	42.1
Net income	1,988,657	4.48	46.1	3,661,199	4.08	43.0	3,012,859	9.54	57.9
Gross profits	4,309,880	9.71	100.0	8,523,862	9.51	100.0	5,203,430	16.47	100.0
Positive net income	2,028,654	4.57	---	3,847,305	4.29	---	3,012,859	9.54	---
Deficit	39,997	0.09	---	186,106	0.21	---	0	0.00	---

a Less than $0.005.

b Less than 0.05 per cent.

Sources of data:

Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.

Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.

Columns 3, 6, and 9 by computation.

TABLE 20

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1924

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total (1)	Per M bd. ft. (2)	Per cent (3)	Total (4)	Per M bd. ft. (5)	Per cent (6)	Total (7)	Per M bd. ft. (8)	Per cent (9)
Overhead expenses									
Property taxes									
Timberlands	$ 310,403	$0.60	7.6	$ 411,152	$0.49	6.7	$ 85,350	$0.26	2.0
Cut-over lands	11,497	0.02	0.3	53,147	0.06	0.9	7,492	0.02	0.2
Plant	51,296	0.10	1.2	295,623	0.35	4.9	54,325	0.17	1.2
Total	373,196	0.72	9.1	759,922	0.90	12.5	147,167	0.45	3.4
Other taxes									
State and local	10,010	0.02	0.2	2,674	a	b	31,332	0.10	0.7
Federal	296,916	0.57	7.2	230,407	0.27	3.8	346,110	1.05	7.9
Total	306,926	0.59	7.4	233,081	0.27	3.8	377,442	1.15	8.6
Interest	212,425	0.41	5.2	534,261	0.63	8.8	482,236	1.47	11.0
Depletion	1,433,861	2.76	34.9	1,820,212	2.15	29.8	733,259	2.24	16.7
Depreciation	445,898	0.86	10.8	1,369,494	1.62	22.4	532,584	1.62	12.2
Salaries of officers	73,600	0.14	1.8	194,615	0.23	3.2	84,789	0.26	1.9
Total	2,845,906	5.48	69.2	4,911,585	5.80	80.5	2,357,477	7.19	53.8
Net income	1,265,680	2.44	30.8	1,190,452	1.40	19.5	2,025,401	6.17	46.2
Gross income	4,111,586	7.92	100.0	6,102,037	7.20	100.0	4,382,878	13.36	100.0
Positive net income	1,362,597	2.63	---	1,552,470	1.83	---	2,025,401	6.17	---
Deficit	96,917	0.19	---	362,018	0.43	---	0	0.00	---

a Less than $0.005.
b Less than 0.05 per cent.

Sources of data:
Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.
Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.
Columns 3, 6, and 9 by computation.

TABLE 21

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1925

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total (1)	Per M bd. ft. (2)	Per cent (3)	Total (4)	Per M bd. ft. (5)	Per cent (6)	Total (7)	Per M bd. ft. (8)	Per cent (9)
Overhead expenses									
Property taxes									
Timberlands	$ 332,993	$0.51	6.8	$ 426,665	$0.42	6.4	$ 100,874	$0.26	2.1
Cut-over lands	11,931	0.02	0.2	52,443	0.05	0.8	11,543	0.03	0.2
Plant	57,879	0.09	1.2	289,827	0.29	4.4	80,014	0.20	1.7
Total	402,803	0.62	8.2	768,935	0.76	11.6	192,431	0.49	4.0
Other taxes									
State and local	8,621	0.01	0.2	4,653	a	0.1	49,037	0.12	1.0
Federal	223,738	0.34	4.6	289,182	0.28	4.4	293,581	0.75	6.1
Total	232,359	0.35	4.8	293,835	0.29	4.5	342,618	0.87	7.1
Interest	238,222	0.37	4.8	501,256	0.49	7.6	439,216	1.11	9.1
Depletion	1,628,771	2.49	33.3	2,538,365	2.50	38.3	861,373	2.18	17.9
Depreciation	482,845	0.74	9.9	1,691,965	1.66	25.6	593,426	1.51	12.4
Salaries of officers	73,750	0.11	1.5	208,752	0.21	3.1	96,908	0.25	2.0
Total	3,058,750	4.68	62.5	6,003,108	5.91	90.7	2,525,972	6.41	52.5
Net income	1,833,299	2.81	37.5	617,490	0.61	9.3	2,284,029	5.79	47.5
Gross profits	4,892,049	7.49	100.0	6,620,598	6.52	100.0	4,810,001	12.20	100.0
Positive net income	1,938,779	2.97	---	1,326,213	1.31	---	2,284,029	5.79	---
Deficit	105,480	0.16	---	708,723	0.70	---	0	0.00	---

a Less than $0.005.

Sources of data:

Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.

Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.

Columns 3, 6, and 9 by computation.

TABLE 82

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1926

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total (1)	Per M bd. ft. (2)	Per cent (3)	Total (4)	Per M bd. ft. (5)	Per cent (6)	Total (7)	Per M bd. ft. (8)	Per cent (9)
Overhead expenses									
Property taxes									
Timberlands	$ 366,760	$0.52	7.1	$ 422,563	$0.42	6.8	$ 94,435	$0.27	2.5
Cut-over lands	13,240	0.02	0.3	53,910	0.05	0.8	11,455	0.03	0.3
Plant	75,292	0.10	1.4	298,379	0.30	4.8	77,112	0.22	2.0
Total	455,292	0.64	8.8	774,852	0.77	12.4	183,002	0.52	4.8
Other taxes									
State and local	2,455	a	0.1	11,029	0.01	0.2	1,660	0.01	b
Federal	256,441	0.36	4.9	161,454	0.16	2.6	272,192	0.78	7.2
Total	258,896	0.36	5.0	172,483	0.17	2.8	273,852	0.79	7.2
Interest	269,977	0.38	5.2	616,759	0.61	9.9	498,418	1.43	13.2
Depletion	1,794,404	2.53	34.5	2,414,119	2.39	38.8	723,188	2.08	19.1
Depreciation	751,985	1.06	14.5	1,749,627	1.73	28.1	555,244	1.59	14.6
Salaries of officers	86,950	0.12	1.7	197,702	0.19	3.2	98,469	0.28	2.6
Total	3,617,504	5.09	69.7	5,925,542	5.86	95.2	2,332,173	6.69	61.5
Net income	1,573,549	2.21	30.3	298,551	0.30	4.8	1,460,587	4.19	38.5
Gross profits	5,191,053	7.30	100.0	6,224,093	6.16	100.0	3,792,760	10.88	100.0
Positive net income	1,649,429	2.32	---	1,250,298	1.24	---	1,460,587	4.19	---
Deficit	75,880	0.11	---	951,747	0.94	---	0	0.00	---

a Less than $0.005.
b Less than 0.05 per cent.

Sources of data:
Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.
Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.
Columns 3, 6, and 9 by computation.

TABLE 23

DISTRIBUTION OF GROSS PROFITS OF LOGGERS AND LUMBER MANUFACTURERS, 1927

Oregon and Washington

	West side						East side		
	Loggers			Manufacturers			Manufacturers		
	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent	Total	Per M bd. ft.	Per cent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Overhead expenses									
Property taxes									
Timberlands	$ 398,703	$0.49	7.4	$ 428,068	$0.45	8.5	$ 116,096	$0.38	4.1
Cut-over lands	15,681	0.02	0.3	59,873	0.06	1.2	14,944	0.05	0.5
Plant	78,504	0.10	1.4	312,012	0.33	6.2	87,340	0.29	3.0
Total	492,888	0.61	9.1	799,953	0.84	15.9	218,380	0.72	7.6
Other taxes									
State and local	2,412	a	b	4,971	0.01	0.1	1,862	0.01	0.1
Federal	277,599	0.35	5.1	144,424	0.15	2.8	163,137	0.53	5.7
Total	280,011	0.35	5.2	149,395	0.16	2.9	164,999	0.54	5.8
Interest	248,423	0.31	4.6	534,301	0.57	10.6	345,639	1.14	12.1
Depletion	1,922,659	2.39	35.6	2,116,711	2.24	42.0	645,932	2.12	22.5
Depreciation	762,129	0.95	14.1	1,762,737	1.87	35.0	573,163	1.89	20.0
Salaries of officers	86,750	0.11	1.6	184,962	0.20	3.7	94,818	0.31	3.3
Total	3,792,860	4.72	70.2	5,548,059	5.88	110.1	2,042,931	6.72	71.3
Net income	1,610,984	2.01	29.8	-507,264	-0.54	-10.1	822,692	2.71	28.7
Gross profits	5,403,844	6.73	100.0	5,040,795	5.34	100.0	2,865,623	9.43	100.0
Positive net income	1,658,970	2.07	---	765,092	0.81	---	822,692	2.71	---
Deficit	47,986	0.06	---	1,272,356	1.35	---	0	0.00	---

a Less than $0.005.
b Less than 0.05 per cent.

Sources of data:
Columns 1, 4, and 7 compiled from reports of operators, including only cases in which 80 per cent or more of logs handled or manufactured were from operators' own timber.
Columns 2, 5, and 8 by computation, based on M board feet of timber logged or manufactured as follows: west side loggers, 3,128,995; west side manufacturers, 4,714,791; east side manufacturers, 1,690,780.
Columns 3, 6, and 9 by computation.

TABLE 24

PERCENTAGE RATIO OF TAXES TO NET INCOME BEFORE TAXES OF LOGGERS AND MANUFACTURERS, BY YEARS 1923-1927

Oregon and Washington

Year	Property taxes			Other taxes			All taxes		
	West side		East side	West side		East side	West side		East side
	Loggers (1)	Mfrs. (2)	Mfrs. (3)	Loggers (4)	Mfrs. (5)	Mfrs. (6)	Loggers (7)	Mfrs. (8)	Mfrs. (9)
1923	13	13	5	9	11	8	22	24	13
1923[a]	11	11	5	9	11	8	20	22	13
1924	19	35	6	16	11	15	35	46	21
1925	16	46	7	10	17	12	26	63	19
1926	20	62	10	11	14	14	31	76	24
1927	21	181	18	12	34	14	33	215	32
1923-1927	18	36	8	11	13	12	29	49	20

[a] Includes only those operators that report a net profit.

Sources of data:
By computation from Tables 17 to 23.